

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

In the Matter of)	
)	
GRACO INC.,)	Docket No. 9350
a corporation,)	
)	
ILLINOIS TOOL WORKS INC.,)	
a corporation, and)	
)	
ITW FINISHING LLC,)	
a limited liability company.)	
)	

AGREEMENT CONTAINING CONSENT ORDERS

This Agreement Containing Consent Orders (“Consent Agreement”), by and among Graco Inc. (“Graco”), Illinois Tool Works Inc., and ITW Finishing LLC (“ITW”), hereinafter referred to as Respondents, by their duly authorized officers and attorneys, and counsel for the Federal Trade Commission (“Commission”), is entered into in accordance with the Commission’s Rules governing consent order procedures. In accordance therewith the parties hereby agree that:

1. Respondent Graco Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Minnesota, with its office and principal place of business located at 88-11th Avenue Northeast, Minneapolis, Minnesota 55413.
2. Respondent Illinois Tool Works Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 3600 West Lake Avenue, Glenview, Illinois 60026.
3. Respondent ITW Finishing LLC is a limited liability company organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 3600 West Lake Avenue, Glenview, Illinois 60026. ITW Finishing LLC is indirectly wholly-owned by Illinois Tool Works Inc.
4. Respondents have been served with a copy of the administrative Complaint (“Complaint”) issued by the Commission in this matter, charging the Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45 (“FTC Act”), and have filed answers to the Complaint denying those charges.

5. Respondents admit all the jurisdictional facts set forth in the Complaint.
6. Respondents waive:
 - a. any further procedural steps;
 - b. the requirement that the Commission's Decision and Order and Order to Hold Separate and Maintain Assets (collectively, the "Orders"), attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
 - c. all rights to seek judicial review or otherwise challenge or contest the validity of the Orders; and
 - d. any claim under the Equal Access to Justice Act.
7. In order to avoid the possibility of interim competitive harm while the Commission considers this Consent Agreement, the Commission may issue and serve the Order to Hold Separate and Maintain Assets in this matter at any time after the Respondents and Complaint Counsel sign this Consent Agreement, as the Commission may deem appropriate.
8. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it will be placed on the public record, in whole or in part, and information in respect thereto publicly released, at such time and in such manner as the Commission may deem appropriate pursuant to the provisions of Commission Rule 3.25(f), 16 C.F.R. § 3.25(f). The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify the Respondents, in which event it will take such action as it may consider appropriate, or issue and serve its Decision and Order (and if appropriate, amend the Order to Hold Separate and Maintain Assets) in disposition of the proceeding.
9. This Consent Agreement is for settlement purposes only and does not constitute an admission by the Respondents that the law has been violated as alleged in the Complaint, or that the facts as alleged in the Complaint, other than jurisdictional facts, are true.
10. This Consent Agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 3.25(f), 16 C.F.R. § 3.25(f), the Commission may, without further notice to Respondents: (a) issue the Decision and Order (and if appropriate, amend the Order to Hold Separate and Maintain Assets) and (b) make information public with respect thereto, or (c) take such other action as the Commission may deem appropriate. When final, each of the Orders shall have the same force and effect, and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. Each of the Orders shall become final upon service. Delivery of each of the Orders to Respondents by any means provided in

Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), or by delivery to Respondents' counsel of record, shall constitute service. Respondents waive any right they may have to any other manner of service.

11. The Complaint may be used in construing the terms of the Orders, and no agreement, understanding, representation, or interpretation not contained in the Orders or the Consent Agreement may be used to vary or contradict the terms of the Orders.
12. By signing this Consent Agreement, Respondents represent and warrant that they can accomplish the full relief contemplated by the Consent Agreement and the attached Orders, and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement and the Orders are bound thereby as if they had signed this Consent Agreement and were made parties to this proceeding and to the Orders.
13. Each Respondent shall submit an initial report, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33, within thirty (30) days of the date on which it executes this Consent Agreement, and Respondent Graco shall submit subsequent reports every thirty (30) days thereafter until the Order to Hold Separate and Maintain Assets becomes final and effective, at which time the reporting obligations contained in the Order to Hold Separate and Maintain Assets shall control. Such reports shall be signed by the respective Respondent and set forth in detail the manner in which such Respondent has complied and will comply with the Order to Hold Separate and Maintain Assets. Such reports will not become part of the public record unless and until the Consent Agreement is accepted by the Commission for public comment.
14. Respondents have read the Orders contemplated hereby. Respondents understand that once both Orders have been issued, they will be required to file one or more compliance reports showing that they have fully complied with the Orders.
15. Respondents agree to comply with the terms of both Orders from the date they sign this Consent Agreement. Respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of each Order after it becomes final.

[continued on next page]

GRACO INC.

FEDERAL TRADE COMMISSION

By: _____
Patrick J. McHale
President and Chief Executive Officer
Graco Inc.

Date: _____

By: _____
Marc W. Schneider
Counsel Supporting the Complaint

Date: _____

Richard G. Parker
O'Melveny & Myers LLP
Counsel for Graco Inc.

APPROVED:

Peter Richman
Deputy Assistant Director

**ILLINOIS TOOL WORKS INC. and
ITW FINISHING LLC**

Phillip L. Broyles
Assistant Director

By: _____
David B. Speer
Chairman and Chief Executive Officer
Illinois Tool Works Inc.

Date: _____

Norman A. Armstrong, Jr.
Deputy Director

J. Robert Robertson
Hogan Lovells US LLP
Counsel for Illinois Tool Works Inc. and
ITW Finishing LLC

Richard A. Feinstein
Director

Bureau of Competition
Federal Trade Commission
Washington, D.C. 20580